

STATE OF WASHINGTON  
OFFICE OF THE INSURANCE COMMISSIONER

*In The Matter of*

John C. Hanson,

Licensee.

ORDER NO. 15-0177

WAOIC NO. 129057

NPN 757101

ORDER REVOKING LICENSE

To: John C. Hanson  
4618 S Napa St  
Spokane, WA 99223-6448

[j.c.hanson@nmfn.com](mailto:j.c.hanson@nmfn.com)

**IT IS ORDERED AND YOU ARE HEREBY NOTIFIED** that your Washington State insurance producer's license is **REVOKED**, effective **August 7, 2015**, pursuant to RCW 48.17.530.

**BASIS:**

1. John Hanson ("the Licensee") is a Washington resident insurance producer who was first licensed in 1997.
2. In 2014, an insurance company notified the Insurance Commissioner that the company terminated the Licensee's appointments for soliciting a client to invest in fictitious investments, misusing client funds, and commingling a client's funds with his personal funds. Subsequently, the Insurance Commissioner commenced an investigation. Upon notification of the investigation, the Licensee's attorney informed the Insurance Commissioner that the Licensee would not answer any of the Insurance Commissioner's inquiries. Even so, the investigation substantiated the insurance company's findings and revealed that the Licensee sold false investments to or entered into false loan arrangements with at least six individuals, who

ORDER REVOKING LICENSE  
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1

Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

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consisted of the Licensee's family members and insurance clients. These investments and loans totaled over \$1.3 million. At least one investor also paid approximately \$46,283 in taxes as a result of individual retirement account withdrawals used to fund the purported investments.

3. Among the fictitious investments the Licensee sold were interests in a purported Real Estate Investment Trust and promissory notes, the funds from which were purportedly supposed to fund the Licensee's purchase of another insurance agent's book of business. This agent denied any agreement to sell his book of business to the Licensee. The Licensee also falsely told at least one other investor that she was the beneficiary on a Certificate of Temporary Insurance for a \$100,000 term life policy.

4. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or levy a civil penalty for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner.

5. RCW 48.17.530(1)(g) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for having admitted or been found to have committed any insurance unfair trade practice or fraud. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(g), justifying license revocation.

6. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(h), justifying license revocation.

7. RCW 48.17.530(1)(m) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for obtaining a loan from an insurance client that is not a financial institution and who is not related to the insurance producer by birth, marriage, or adoption, except the Insurance Commissioner may, by rule, define and

permit reasonable arrangements. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(m), justifying license revocation.

8. RCW 48.30.040 provides that no person shall knowingly make, publish, or disseminate any false, deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance or relative to any person engaged therein. By engaging in the conduct discussed above, the Licensee violated RCW 48.30.040, justifying license revocation.

**IT IS FURTHER ORDERED** that you return your insurance producer's license certificate to the Insurance Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4). Return your license to:

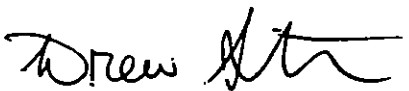
Licensing Manager  
Office of the Insurance Commissioner  
P. O. Box 40257  
Olympia, WA 98504-0257

ENTERED at Tumwater, Washington, this 20<sup>th</sup> day of July, 2015.



MIKE KREIDLER  
Insurance Commissioner

By and through his designee



Drew Stillman  
Insurance Enforcement Specialist  
Legal Affairs Division

## **NOTICE OF YOUR RIGHT TO A HEARING**

If you are aggrieved by this Order Revoking License, RCW 48.04.010 permits you to demand a hearing. You must demand a hearing in writing within 90 days after the date of this Order Revoking License, which is the day it was mailed to you, or you will waive your right to a hearing.

***If the Insurance Commissioner receives your demand for a hearing before the effective date listed on the order revoking your license, the revocation will be automatically stayed (postponed) and your license will remain in effect pending the hearing.***

Your demand for a hearing should be sent to the following address and must briefly state how you are harmed by this decision and why you disagree with it:

Hearings Unit  
Office of the Insurance Commissioner  
PO Box 40255  
Olympia, WA 98504-0255

You will be notified of the time and place of your hearing. If you have questions about filing a demand for hearing or the hearing process, please telephone the Hearings Unit at (360) 725-7002 or send an email to [Hearings@oic.wa.gov](mailto:Hearings@oic.wa.gov).

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER REVOKING LICENSE on the following individual by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed to:

John C. Hanson  
4618 S Napa St  
Spokane, WA 99223-6448

[j.c.hanson@nmfn.com](mailto:j.c.hanson@nmfn.com)

Dated this 20<sup>th</sup> day of July, 2015, in Tumwater, Washington.

  
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JOSH PACE  
Secretary Senior  
Legal Affairs Division